

Information regarding the taxation of food, drugs, and medical appliances may be found at 86 Ill. Adm. Code 130.310. (This is a GIL.)

October 6, 2005

Dear Sir or Madam:

This letter is in response to your letter dated August 11, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

ABC is about to introduce two new products. In order to comply with the State Sales and Use Tax rules and regulation of the new products that are being introduced, we as a voluntary sales tax collector are sending our product's [sic] labels for your review.

The following labels are:

° PRODUCT (20 g)

° PRODUCT (200 ml)

Before adjusting our sales tax program, we will [sic] like to know how to proceed with the percentage rates according with [sic] the State Sales and Use Tax rules and regulations on our new products.

We would also like to know if any of these products are considered taxable or non-taxable items?

Please send us the information about this matter to the address below or fax us the information.

Thank you in advance for your cooperation. If you have any questions, please do not hesitate to contact me.

DEPARTMENT'S RESPONSE:

The Department will no longer review individual product labels to determine the appropriate tax rates. You may contact the Department's Taxpayer Assistance Division at 1-800 732-8866 or 217-782-3336 to receive assistance by phone. In addition, the Department has a Business Hot Line that helps meet the needs of businesses and tax professionals. The Business Hot Line is available at 217-524-4772. Information regarding the taxation of foods, drugs, medicines and medical appliances may be found at 86 Ill. Adm. Code 130.310. The Department's regulations along with "Letter Rulings" addressing this issue may be viewed on the Department's internet website under the heading of "Laws/Regs/Rulings."

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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